

October 16, 2009

Mr. Jay Hall  
Review Board Liaison  
Kansas Racing and Gaming Commission  
700 SW Harrison, Suite 420  
Topeka, KS 66603

Dear Jay:

Attached please find our fiscal impact analysis report for the proposed Chisholm Creek casino. Our report includes three parts:

- Part 1 summarizes relevant casino information and our findings of fiscal impact.
- Part 2 shows a comparison of MBA's findings and those provided by the Proposer.
- Part 3 is the full fiscal impact analysis providing detailed calculations of findings shown in Parts 1 and 2. Assumptions and data used in the estimate of the fiscal impact are also outlined in detail in Part 3.

Please do not hesitate to call if you have any questions.

Sincerely,



Eugenia Larmore  
Director

Economic Impact Analysis

Fiscal Impact Analysis

Forensic Accounting

Business Valuation

Gaming Feasibility

Litigation Support

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[www.mbareno.com](http://www.mbareno.com)

# TAB 1

## SUMMARY OF FISCAL IMPACT FINDINGS

<p align="center"><b>SUMMARY SHEET-SUMNER COUNTY</b></p> <p align="center"><b>CHISHOLM CREEK</b></p>
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Phase 1 Opening	August-11	
Phase 2 Opening	January-15	
Casino sq. ft. @ Buildout		95,000
Total sq. ft. @ Buildout		241,280
# Hotel rooms @ Buildout		150
Total Construction Costs	\$	116,140,069
Total FF&E	\$	71,976,655
# Construction Employees Phase 1		402
# Construction Employees Phase 2		873
# Permanent Employees @ Buildout		1,152
Est. Oper. Payroll - 1st full year	\$	37,809,982
Annual visitors-1st full year (Wells/Cummings)		2,470,000
Daily visitors		6,767
GGR-1st full year	\$	193,932,500

**FISCAL IMPACT SUMMARY-6 YEAR TOTAL**

**REVENUE**

Gaming Contribution (tax)	\$	192,357,925
Income Tax Revenue		9,618,505
Property Tax Revenue		10,175,044
Sales Tax Revenue		12,185,917
Room Tax Revenue		-
Building Permit Revenue		-
Total Revenue (w/o school state aid)	\$	224,337,391
State Revenue		190,985,381
Sumner County		21,227,756
Mulvane School District		4,478,946
Fire District #9		520,941
Sedgwick County		7,124,368

**COSTS**

Sumner Costs	\$	9,292,832
Fire District		4,943,998
School District Costs		-

**SURPLUS/(DEFICIT)**

Sumner Costs	\$	11,934,924
Fire District		(4,423,056)
School District Costs		4,478,946

**DEVELOPER CONTRIBUTIONS**

Following additional gaming contribution amounts are provided:

1% of GGR to Sumner County on GGR between \$300 million and \$350 million

2% of GGR to Sumner County on GGR over \$350 million

Source-Memorandum of Understanding with Sumner County

**TAB 2**

**COMPARISON OF ESTIMATES**

**FISCAL IMPACT--6 YEAR SUMMARY\***  
**CHISHOLM CREEK**

<b>Proposer's Estimates</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 119,444,099	\$ 9,953,675	\$ 4,976,837	\$ -	\$ -	
Property Tax	-	10,780,846	-	-	-	
Sales/Use Tax	3,637,396	545,086	-	-	-	
Income Tax	100,000	-	-	-	-	
Lodging Tax	-	175,000	-	-	-	
<b>Total</b>	<b>\$ 123,181,495</b>	<b>\$ 21,454,606</b>	<b>\$ 4,976,837</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 1,658,020	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	4,312,420	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,658,020</b>	<b>\$ -</b>	<b>\$ 4,312,420</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 123,181,495</b>	<b>\$ 19,796,586</b>	<b>\$ 4,976,837</b>	<b>\$ (4,312,420)</b>	<b>\$ -</b>	

<b>Consultant's Estimates</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 170,984,822	\$ 14,248,735	\$ 7,124,368	\$ -	\$ -	
Property Tax	130,409	5,044,748	-	520,941	4,478,946	
Sales/Use Tax	10,251,645	1,934,273	-	-	-	
Income Tax	9,618,505	-	-	-	-	
School State Aid <sup>1</sup>	-	-	-	-	-	
<b>Total</b>	<b>\$ 190,985,381</b>	<b>\$ 21,227,756</b>	<b>\$ 7,124,368</b>	<b>\$ 520,941</b>	<b>\$ 4,478,946</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 7,070,321	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	4,943,998	-	
Admin. Overhead	-	2,222,511	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 9,292,832</b>	<b>\$ -</b>	<b>\$ 4,943,998</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 190,985,381</b>	<b>\$ 11,934,924</b>	<b>\$ 7,124,368</b>	<b>\$ (4,423,056)</b>	<b>\$ 4,478,946</b>	

1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.

\*Analysis encompasses a total of 6 years:

**Phase 1** which consists of 2 years of construction (2010-11) and 1 year of operations (2012).

**Phase 2** which consists of 2 years of construction (2013-14) and 1 year of operations (2015).

**Voluntary Contributions:** Source-Memorandum of Understanding with Sumner County

Following additional gaming contribution amounts are provided:

1% of GGR to Sumner County on GGR between \$300 million and \$350 million

2% of GGR to Sumner County on GGR over \$350 million

**FISCAL IMPACT--CONSTRUCTION  
PHASE 1  
CHISHOLM CREEK**

<b>Proposer's Estimates: 2010-11</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 8,615,661	\$ 717,972	\$ 358,986	\$ -	\$ -	
Property Tax	-	1,375,650	-	-	-	
Sales/Use Tax	261,919	39,417	-	-	-	
Income Tax	20,000	-	-	-	-	
Building Fees	-	175,000	-	-	-	
<b>Total</b>	<b>\$ 8,897,580</b>	<b>\$ 2,308,039</b>	<b>\$ 358,986</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 398,280	\$ -	\$ -	\$ -	
Public Works <sup>1</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	895,520	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 398,280</b>	<b>\$ -</b>	<b>\$ 895,520</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 8,897,580</b>	<b>\$ 1,909,759</b>	<b>\$ 358,986</b>	<b>\$ (895,520)</b>	<b>\$ -</b>	
<b>Footnotes:</b>						
1. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

<b>Consultant's Estimates: 2010-11</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 12,113,760	\$ 1,009,480	\$ 504,740	\$ -	\$ -	
Property Tax	8,312	321,546	-	33,204	285,483	
Sales/Use Tax	4,233,232	798,723	-	-	-	
Income Tax	1,401,914	-	-	-	-	
School State Aid <sup>1</sup>	-	-	-	-	-	
<b>Total</b>	<b>\$ 17,757,217</b>	<b>\$ 2,129,749</b>	<b>\$ 504,740</b>	<b>\$ 33,204</b>	<b>\$ 285,483</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works <sup>2</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 17,757,217</b>	<b>\$ 2,129,749</b>	<b>\$ 504,740</b>	<b>\$ 33,204</b>	<b>\$ 285,483</b>	
<b>Footnotes:</b>						
1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
2. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

**FISCAL IMPACT--OPERATING  
PHASE 1  
CHISHOLM CREEK**

Proposer's Estimates: 2012						
	State	Sumner County	Sedgwick Co.	Fire District	K-12 Schools	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 26,291,289	\$ 2,190,941	\$ 1,095,470	\$ -	\$ -	
Property Tax	-	2,351,299	-	-	-	
Sales/Use Tax	800,766	119,963	-	-	-	
Income Tax	20,000	-	-	-	-	
Building Fees	-	-	-	-	-	
<b>Total</b>	<b>\$ 27,112,055</b>	<b>\$ 4,662,202</b>	<b>\$ 1,095,470</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 301,680	\$ -	\$ -	\$ -	
Public Works <sup>1</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	821,063	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 301,680</b>	<b>\$ -</b>	<b>\$ 821,063</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 27,112,055</b>	<b>\$ 4,360,522</b>	<b>\$ 1,095,470</b>	<b>\$ (821,063)</b>	<b>\$ -</b>	
<b>Footnotes:</b>						
1. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

Consultant's Estimates: 2012						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 36,341,280	\$ 3,028,440	\$ 1,514,220	\$ -	\$ -	
Property Tax	20,620	797,669	-	82,371		708,205
Sales/Use Tax	710,258	134,011	-	-		-
Income Tax	1,290,213	-	-	-		-
School State Aid <sup>1</sup>	-	-	-	-		-
<b>Total</b>	<b>\$ 38,362,372</b>	<b>\$ 3,960,120</b>	<b>\$ 1,514,220</b>	<b>\$ 82,371</b>	<b>\$</b>	<b>708,205</b>
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 1,552,504	\$ -	\$ -	\$ -	-
Public Works <sup>2</sup>	-	-	-	-	-	-
Education	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	1,107,761		
Admin. Overhead	-	488,020	-	-		-
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,040,523</b>	<b>\$ -</b>	<b>\$ 1,107,761</b>	<b>\$</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>\$ 38,362,372</b>	<b>\$ 1,919,597</b>	<b>\$ 1,514,220</b>	<b>\$ (1,025,390)</b>	<b>\$</b>	<b>708,205</b>
	<u>Proposer</u>	<u>Consultant</u>	Source: GGR and visitor estimates average of			
Estimated GGR	\$ 117,037,434	\$ 151,422,000	Cummings Associates and Wells Gaming Research			
Estimated Visitors	2,061,288	1,939,500	estimates, September/October 2009.			
<b>Footnotes:</b>						
1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
2. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

**FISCAL IMPACT--CONSTRUCTION  
PHASE 2  
CHISHOLM CREEK**

<b>Proposer's Estimates: 2013-14</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 55,380,041	\$ 4,615,003	\$ 2,307,502	\$ -	\$ -	
Property Tax	-	4,702,598	-	-	-	
Sales/Use Tax	1,686,696	252,678	-	-	-	
Income Tax	40,000	-	-	-	-	
Building Fees	-	-	-	-	-	
<b>Total</b>	<b>\$ 57,106,737</b>	<b>\$ 9,570,280</b>	<b>\$ 2,307,502</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 629,600	\$ -	\$ -	\$ -	
Public Works <sup>1</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	1,707,717	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 629,600</b>	<b>\$ -</b>	<b>\$ 1,707,717</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 57,106,737</b>	<b>\$ 8,940,680</b>	<b>\$ 2,307,502</b>	<b>\$ (1,707,717)</b>	<b>\$ -</b>	
<b>Footnotes:</b>						
1. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

<b>Consultant's Estimates: 2013-14</b>						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 75,985,982	\$ 6,332,165	\$ 3,166,083	\$ -	\$ -	
Property Tax	55,637	2,152,249	-	222,250	1,910,860	
Sales/Use Tax	4,388,645	828,046	-	-	-	
Income Tax	5,031,790	-	-	-	-	
School State Aid <sup>1</sup>	-	-	-	-	-	
<b>Total</b>	<b>\$ 85,462,054</b>	<b>\$ 9,312,461</b>	<b>\$ 3,166,083</b>	<b>\$ 222,250</b>	<b>\$ 1,910,860</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 3,293,792	\$ -	\$ -	\$ -	
Public Works <sup>2</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	2,338,704	-	
Admin. Overhead	-	1,035,383	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,329,174</b>	<b>\$ -</b>	<b>\$ 2,338,704</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 85,462,054</b>	<b>\$ 4,983,286</b>	<b>\$ 3,166,083</b>	<b>\$ (2,116,454)</b>	<b>\$ 1,910,860</b>	
<b>Footnotes:</b>						
1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
2. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						



**FISCAL IMPACT--OPERATING  
PHASE 2  
CHISHOLM CREEK**

Proposer's Estimates: 2015						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 29,157,108	\$ 2,429,759	\$ 1,214,879	\$ -	\$ -	
Property Tax	-	2,351,299	-	-	-	
Sales/Use Tax	888,016	133,028	-	-	-	
Income Tax	20,000	-	-	-	-	
Building Fees	-	-	-	-	-	
<b>Total</b>	<b>\$ 30,065,123</b>	<b>\$ 4,914,086</b>	<b>\$ 1,214,879</b>	<b>\$ -</b>	<b>\$ -</b>	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 328,460	\$ -	\$ -	\$ -	
Public Works <sup>1</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	888,120	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 328,460</b>	<b>\$ -</b>	<b>\$ 888,120</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 30,065,123</b>	<b>\$ 4,585,625</b>	<b>\$ 1,214,879</b>	<b>\$ (888,120)</b>	<b>\$ -</b>	
<b>Footnotes:</b>						
1. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

Consultant's Estimates: 2015						
	<u>State</u>	<u>Sumner County</u>	<u>Sedgwick Co.</u>	<u>Fire District</u>	<u>K-12 Schools</u>	
<b><u>REVENUE:</u></b>						
Gaming Rev. Sharing	\$ 46,543,800	\$ 3,878,650	\$ 1,939,325	\$ -	\$ -	
Property Tax	45,840	1,773,283	-	183,116	1,574,398	
Sales/Use Tax	919,510	173,492	-	-	-	
Income Tax	1,894,588	-	-	-	-	
School State Aid <sup>1</sup>	-	-	-	-	-	
<b>Total</b>	<b>\$ 49,403,738</b>	<b>\$ 5,825,426</b>	<b>\$ 1,939,325</b>	<b>\$ 183,116</b>	<b>\$ 1,574,398</b>	
<b><u>COSTS:</u></b>						
Law Enforcement	\$ -	\$ 2,224,026	\$ -	\$ -	\$ -	
Public Works <sup>2</sup>	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	1,497,533	-	
Admin. Overhead	-	699,108	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,923,134</b>	<b>\$ -</b>	<b>\$ 1,497,533</b>	<b>\$ -</b>	
<b>Surplus/(Deficit)</b>	<b>\$ 49,403,738</b>	<b>\$ 2,902,292</b>	<b>\$ 1,939,325</b>	<b>\$ (1,314,417)</b>	<b>\$ 1,574,398</b>	
	<u><b>Proposer</b></u>	<u><b>Consultant</b></u>	Source: GGR and visitor estimates average of			
Estimated GGR	\$ 129,794,817	\$ 193,932,500	Cummings Associates and Wells Gaming Research			
Estimated Visitors	2,092,254	2,470,000	estimates, September/October 2009.			
<b>Footnotes:</b>						
1. No school state aid is estimated as local (property tax) revenue exceeds the required general state aid amount.						
2. Developer responsible for paying for off-site infrastructure improvements relating to facility and to purchase necessary public work and public safety equipment. (Source: Memorandum of Understanding with County).						

## TAB 3

# FISCAL IMPACT ANALYSIS

**APPENDIX 1**  
**BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST**  
**AT FULL DEVELOPMENT**

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>EST. TAXABLE CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&amp;E PURCHASES</u>
<b>Year 1</b>	Casino	-	\$ 16,084,486	\$ 8,042,243	\$ -
	Restaurants	-	-	-	-
	Hotel	-	-	-	-
	Convention	-	6,081,181	3,040,590	-
<b>Subtotal</b>		<b>-</b>	<b>22,165,667</b>	<b>11,082,833</b>	
<b>Year 2</b>	Casino	57,475	23,816,756	11,908,378	34,821,701
	Restaurants	-	-	-	-
	Hotel	-	-	-	-
	Convention	21,730	9,004,578	4,502,289	13,165,299
<b>Subtotal</b>		<b>79,205</b>	<b>32,821,333</b>	<b>16,410,667</b>	<b>47,987,000</b>
<b>Year 3</b>	Casino	-	-	-	-
	Restaurants	-	-	-	-
	Hotel	-	-	-	-
	Convention	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year 4</b>	Casino	-	7,731,238	3,865,619	-
	Restaurants	-	824,116	412,058	-
	Hotel	-	22,364,447	11,182,224	-
	Convention	-	2,472,348	1,236,174	-
<b>Subtotal</b>		<b>-</b>	<b>33,392,149</b>	<b>16,696,075</b>	<b>-</b>
<b>Year 5</b>	Casino	37,525	6,427,447	3,213,724	5,554,292
	Restaurants	4,000	685,138	342,569	592,063
	Hotel	108,550	18,592,922	9,296,461	16,067,111
	Convention	12,000	2,055,413	1,027,706	1,776,189
<b>Subtotal</b>		<b>162,075</b>	<b>27,760,920</b>	<b>13,880,460</b>	<b>23,989,655</b>
<b>TOTAL</b>		<b>241,280</b>	<b>\$ 116,140,069</b>	<b>\$ 58,070,034</b>	<b>\$ 71,976,655</b>

**APPENDIX 1, ASSUMPTIONS:**

1. Construction of the development is estimated to take place in 2 Phases.

**Phase 1:** 20-month construction period (January 2010 thru August 2011):

	<b>Sq. Footage</b>	<b>Other Information</b>
Casino	57,475	1,300 slot machines, 30 table games
Restaurants	21,730	3 restaurants
<b>Total</b>	<b>79,205</b>	

Source: Developer's application template.

**Phase 2:** Analysis assumes 18-month construction period (July 2013 to January 2015):

	<b>Sq. Footage</b>	<b>Other Information</b>
Casino	37,525	200 slot machines, 20 table games
Restaurants	4,000	multi-venue restaurant and bar
Hotel*	108,550	150 rooms
Convention	12,000	meeting and entertainment venue
<b>Total</b>	<b>162,075</b>	

\*Hotel square footage average of Harrah's, Marvel, and Penn National 2008 gaming applications of 724 sq. ft. per room, including open space.

\*\*Restaurant square footage from Harrah's, Marvel, and Penn National 2008 gaming applications data for multi-venue restaurant and bar.

Source: Unless otherwise noted, Phase 2 construction data from Chisholm Matrix, September 2009.

2. **Phase 1:** Construction costs estimated using above square footages and cost breakdown provided by the developer in its template document (land is added in year 1, 33% of building costs are added in year 1, and remainder in year 2, FF&E added in year 2):

<b>Land</b>	<b>Building</b>	<b>FF&amp;E*</b>	<b>Total**</b>
\$ 5,755,000	\$ 49,232,000	\$ 47,987,000	\$ 102,974,000

\*FF&E-furniture, fixtures and equipment, includes gaming equipment which is allocated to casino.

\*\*Total amount does not equal investment amount as the analysis excludes soft costs such as pre-opening, A & E, project overhead and public sector infrastructure costs for property tax calculation purposes.

Source: Developer's application template.

**APPENDIX 1**  
**BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST**  
**AT FULL DEVELOPMENT**

**Phase 2:** Total construction cost of \$100 million is provided in Chisholm Matrix dated September 2009, cost breakdown percentages from developer's application template (land is added in year 4, 33% of building costs are added in year 4, and remainder in year 5, FF&E added in year 5):

<b>Land</b>	<b>Building</b>	<b>FF&amp;E</b>	<b>Total*</b>
\$ 19,511,690	\$ 41,641,379	\$ 23,989,655	<b>\$ 85,142,724</b>

\*Total amount does not equal investment amount as the analysis excludes soft costs such as financing costs and professional fees.

3. Construction materials cost estimated at **50%** of construction costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

**APPENDIX 2**  
**ESTIMATED PROPERTY TAX REVENUE AT**  
**2008 PROPERTY TAX RATE**

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>ESTIMATED ASSESSED VALUE</u>	<u>USD263 SCHOOL DIST. REVENUE</u>	<u>FIRE DISTRICT #9 REVENUE</u>	<u>RECREATION COMMISSION REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
<b>Year 1</b>	Casino	\$ 16,084,486	\$ 16,084,486	\$ 4,021,121					
	Restaurants	-	-	-					
	Hotel	-	-	-					
	Convention	6,081,181	6,081,181	1,520,295					
<b>Subtotal</b>		<b>22,165,667</b>	<b>22,165,667</b>	<b>5,541,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Year 2</b>	Casino	23,816,756	39,901,241	9,975,310					
	Restaurants	-	-	-					
	Hotel	-	-	-					
	Convention	9,004,578	15,085,759	3,771,440					
<b>Subtotal</b>		<b>32,821,333</b>	<b>54,987,000</b>	<b>13,746,750</b>	<b>\$ 285,483</b>	<b>\$ 33,204</b>	<b>\$ 29,092</b>	<b>\$ 321,546</b>	<b>\$ 8,312</b>
<b>Year 3</b>	Casino	-	41,098,279	10,274,570					
	Restaurants	-	-	-					
	Hotel	-	-	-					
	Convention	-	15,538,331	3,884,583					
<b>Subtotal</b>		<b>-</b>	<b>56,636,610</b>	<b>14,159,153</b>	<b>\$ 708,205</b>	<b>\$ 82,371</b>	<b>\$ 72,170</b>	<b>\$ 797,669</b>	<b>\$ 20,620</b>
<b>Year 4</b>	Casino	7,731,238	50,062,465	12,515,616					
	Restaurants	824,116	824,116	206,029					
	Hotel	22,364,447	22,364,447	5,591,112					
	Convention	2,472,348	18,476,829	4,619,207					
<b>Subtotal</b>		<b>33,392,149</b>	<b>91,727,858</b>	<b>22,931,964</b>	<b>\$ 729,451</b>	<b>\$ 84,842</b>	<b>\$ 74,336</b>	<b>\$ 821,599</b>	<b>\$ 21,239</b>
<b>Year 5</b>	Casino	6,427,447	57,991,786	14,497,947					
	Restaurants	685,138	1,533,977	383,494					
	Hotel	18,592,922	41,628,303	10,407,076					
	Convention	2,055,413	21,086,547	5,271,637					
<b>Subtotal</b>		<b>27,760,920</b>	<b>122,240,613</b>	<b>30,560,153</b>	<b>\$ 1,181,409</b>	<b>\$ 137,408</b>	<b>\$ 120,393</b>	<b>\$ 1,330,650</b>	<b>\$ 34,398</b>
<b>Year 6</b>	Casino	-	59,731,540	14,932,885					
	Restaurants	-	1,579,996	394,999					
	Hotel	-	42,877,152	10,719,288					
	Convention	-	21,719,143	5,429,786					
<b>Subtotal</b>		<b>-</b>	<b>125,907,831</b>	<b>31,476,958</b>	<b>\$ 1,574,398</b>	<b>\$ 183,116</b>	<b>\$ 160,441</b>	<b>\$ 1,773,283</b>	<b>\$ 45,840</b>
<b>TOTAL</b>		<b>\$ 116,140,069</b>			<b>\$ 4,478,946</b>	<b>\$ 520,941</b>	<b>\$ 456,432</b>	<b>\$ 5,044,748</b>	<b>\$ 130,409</b>

**APPENDIX 2**  
**ESTIMATED PROPERTY TAX REVENUE AT**  
**2008 PROPERTY TAX RATE**

**APPENDIX 2, ASSUMPTIONS:**

1. Tax rate will remain constant at 2008 amount:

<b>Entity-Fund</b>	<b>Tax Rate*</b>	<b>*rate per \$1,000 of assessed value.</b>
School District USD263	\$ 51.518	
Fire District #9	5.992	
Recreation	5.250	
County	58.026	
State	1.500	
<b>Total</b>	<b>\$ 122.286</b>	

Source: "Sumner County 2008 Levies," Sumner County Clerk website. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25%** of appraised value for real property.  
Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
4. Property value not inflated until Year 3 (FY 2012) to account for the recessionary period; inflation at 3%.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates and work-in-progress.

**APPENDIX 3  
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST (\$)</u>	<u>FF&amp;E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
<b>Year 1</b>	Casino	-	\$ 8,042,243	\$ -	\$ -	\$ 8,042,243		
	Restaurants	-	-	-	-	-		
	Hotel	-	-	-	-	-		
	Convention	-	3,040,590	-	-	3,040,590		
<b>Subtotal</b>		<b>-</b>	<b>11,082,833</b>	<b>-</b>	<b>-</b>	<b>11,082,833</b>	<b>\$ 110,828</b>	<b>\$ 587,390</b>
<b>Year 2</b>	Casino	57,475	11,908,378	34,821,701	416,840	47,146,919		
	Restaurants	-	-	-	3,974,955	3,974,955		
	Hotel	-	-	-	-	-		
	Convention	21,730	4,502,289	13,165,299	-	17,667,588		
<b>Subtotal</b>		<b>79,205</b>	<b>16,410,667</b>	<b>47,987,000</b>	<b>4,391,795</b>	<b>68,789,462</b>	<b>\$ 687,895</b>	<b>\$ 3,645,841</b>
<b>Year 3</b>	Casino	-	-	-	1,271,073	1,271,073		
	Restaurants	-	-	-	12,130,026	12,130,026		
	Hotel	-	-	-	-	-		
	Convention	-	-	-	-	-		
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>13,401,099</b>	<b>13,401,099</b>	<b>\$ 134,011</b>	<b>\$ 710,258</b>
<b>Year 4</b>	Casino	-	3,865,619	-	1,318,464	5,184,083		
	Restaurants	-	412,058	-	12,555,660	12,967,718		
	Hotel	-	11,182,224	-	-	11,182,224		
	Convention	-	1,236,174	-	-	1,236,174		
<b>Subtotal</b>		<b>-</b>	<b>16,696,075</b>	<b>-</b>	<b>13,874,124</b>	<b>30,570,199</b>	<b>\$ 305,702</b>	<b>\$ 1,620,221</b>
<b>Year 5</b>	Casino	37,525	3,213,724	5,554,292	1,367,627	10,135,642		
	Restaurants	4,000	342,569	592,063	12,996,683	13,931,315		
	Hotel	108,550	9,296,461	16,067,111	-	25,363,572		
	Convention	12,000	1,027,706	1,776,189	-	2,803,896		
<b>Subtotal</b>		<b>162,075</b>	<b>13,880,460</b>	<b>23,989,655</b>	<b>14,364,309</b>	<b>52,234,424</b>	<b>\$ 522,344</b>	<b>\$ 2,768,424</b>
<b>Year 6</b>	Casino	-	-	-	1,418,749	1,418,749		
	Restaurants	-	-	-	15,930,493	15,930,493		
	Hotel	-	-	-	-	-		
	Convention	-	-	-	-	-		
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>17,349,242</b>	<b>17,349,242</b>	<b>\$ 173,492</b>	<b>\$ 919,510</b>
<b>TOTAL</b>		<b>241,280</b>	<b>\$ 58,070,034</b>	<b>\$ 71,976,655</b>	<b>\$ 63,380,570</b>	<b>\$ 193,427,260</b>	<b>\$ 1,934,273</b>	<b>\$ 10,251,645</b>

**APPENDIX 3, ASSUMPTIONS:**

1. Sales tax rate is as follows:

Designation  
1.000% County  
5.300% State  
**6.300% TOTAL**

**APPENDIX 3**  
**SALES TAX REVENUE**

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. **Phase 1:** Taxable sales based on the following data from the developer, retail sales shown under Casino above:

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
Retail*	\$ -	\$ 416,840	\$ 1,271,073	\$ 1,318,464	\$ 1,367,627	\$ 1,418,749
F&B	-	3,974,955	12,130,026	12,555,660	12,996,683	13,453,930
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,391,795</b>	<b>\$ 13,401,099</b>	<b>\$ 13,874,124</b>	<b>\$ 14,364,309</b>	<b>\$ 14,872,679</b>

\* Retail sales shown under casino above.

Source: Developer's application template.

**Phase 2:** Retail sales estimated based on the average sales data provided by developer for Phase 1 of \$ **619** per square foot.

This is added to F&B revenue shown for Phase 1 above. Source: Taxable revenue and square footage from developer's application template.



**APPENDIX 4**  
**LOTTERY GAMING CONTRIBUTION REVENUE**

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>CITY OF MULVANE REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>SEDGWICK COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
<b>Year 1</b>	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Year 2</b>	Casino	50,474,000	-	1,009,480	504,740	11,104,280	1,009,480
<b>Year 3</b>	Casino	151,422,000	-	3,028,440	1,514,220	33,312,840	3,028,440
<b>Year 4</b>	Casino	155,964,660	-	3,119,293	1,559,647	34,312,225	3,119,293
<b>Year 5</b>	Casino	160,643,600	-	3,212,872	1,606,436	35,341,592	3,212,872
<b>Year 6</b>	Casino	193,932,500	-	3,878,650	1,939,325	42,665,150	3,878,650
<b>TOTAL</b>		<b>\$ 712,436,760</b>	<b>\$ -</b>	<b>\$ 14,248,735</b>	<b>\$ 7,124,368</b>	<b>\$ 156,736,087</b>	<b>\$ 14,248,735</b>

**APPENDIX 4, ASSUMPTIONS:**

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

	<u>Year 3 (2012)</u>	<u>Year 6 (2015)</u>
WGR GGR	\$ 139,844,000	\$ 206,065,000
Cummings GGR	163,000,000	181,800,000
<b>Average</b>	<b>\$ 151,422,000</b>	<b>\$ 193,932,500</b>

Revenue inflated **3%** annually in Years 4 & 5.

Year 6 is considered full buildout, 12 months of operations; includes inflation at 3% per year from Year 2 forward.

Source: Wells Gaming Research and Cummings Associates GGR estimates, September/October 2009. Year 2 estimates in 2009 dollars.

2. Local government revenue is estimated as follows:

State of Kansas	<b>22%</b>	of all lottery gaming revenues.
State Prob. Gambling	<b>2%</b>	of all lottery gaming revenues.
Sumner County	<b>2%</b>	of all lottery gaming revenues.
Sedgwick County	<b>1%</b>	of all lottery gaming revenues.
City of Mulvane	<b>0%</b>	of all lottery gaming revenues.

Source: SB 66.

3. Year 3 assumes first full year of operation. One third of revenue shown in Footnote 1 is assumed to be incurred in the four months of operation in Year 2.

**APPENDIX 5  
STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
<b>Year 1</b>	Construction	\$ 9,274,978	\$ 23,088	\$ 413,975
	Operating	-	-	-
<b>Subtotal</b>		<b>9,274,978</b>	<b>23,088</b>	<b>413,975</b>
<b>Year 2</b>	Construction	13,561,402	34,632	689,686
	Operating	8,521,487	9,751	298,252
<b>Subtotal</b>		<b>22,082,889</b>		<b>987,938</b>
<b>Year 3</b>	Construction	-	-	-
	Operating	26,403,936	30,220	1,290,213
<b>Subtotal</b>		<b>26,403,936</b>		<b>1,290,213</b>
<b>Year 4</b>	Construction	15,576,484	23,781	703,340
	Operating	27,186,679	31,034	1,339,617
<b>Subtotal</b>		<b>42,763,163</b>		<b>2,042,957</b>
<b>Year 5</b>	Construction	31,152,968	35,671	1,596,712
	Operating	28,013,546	31,914	1,392,121
<b>Subtotal</b>		<b>59,166,514</b>		<b>2,988,833</b>
<b>Year 6</b>	Construction	-	-	-
	Operating	37,809,982	32,831	1,894,588
<b>Subtotal</b>		<b>37,809,982</b>		<b>1,894,588</b>
<b>TOTAL</b>		<b>\$ 197,501,462</b>		<b>\$ 9,618,505</b>

**APPENDIX 5, ASSUMPTIONS:**

1. **Phase 1:** Estimated construction payroll is provided by the Developer at \$ **22,836,380** during the construction phase of the project. This includes salaries only, no benefits are included. The following payroll per employee data is estimated

	<b>Year 1</b>	<b>Year 2</b>
Payroll	\$ 9,274,978	\$ 13,561,402
Average Employees	402	392
<b>Payroll/Employee</b>	<b>\$ 23,088</b>	<b>\$ 34,632</b>

Source: Developer's application template.

**Phase 2:** Construction employees and salary estimated using construction data provided by developer in Phase 1.

Phase 1 Sq.Ft. Construction Payroll	\$ 22,836,380
Phase 1 Square Feet	79,205
Payroll/Sq.Ft.	\$ 288.32
Phase 2 Sq.Ft. Constructed	162,075

	<b>Year 4</b>	<b>Year 5</b>
Payroll	\$ 15,576,484	\$ 31,152,968
Average Employees	655	873
<b>Payroll/Employee</b>	<b>\$ 23,781</b>	<b>\$ 35,671</b>

Salaries inflated 3% from the salary amount provide in Phase 1.

2. **Phase 1:** Estimated on-going operating payroll is estimated at \$ **26,403,936** per year at full year of operation for **874** FTE employees. This includes salaries only, no benefit costs are included. Benefits are estimated at **33.60%** of salaries. Source: Developer's template.

The following payroll per employee data is estimated

	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
Payroll	\$ 8,521,487	\$ 26,403,936	\$ 27,186,679	\$ 28,013,546	\$ 28,877,207
Ave. Employees	874	874	876	878	880
<b>Payroll/Empl.</b>	<b>\$ 9,751</b>	<b>\$ 30,220</b>	<b>\$ 31,034</b>	<b>\$ 31,914</b>	<b>\$ 32,831</b>

Source: Developer's application template.

**APPENDIX 5**  
**STATE INCOME TAX REVENUE**

**Phase 2:** Operating employees and salary data estimated using employment data provided by developer in Phase 1.

	<b>Phase 1 Sq.Ft.</b>	<b>Phase 1 Employees</b>	<b>Sq.Ft./Employee</b>	<b>Phase 2 Sq.Ft.</b>	<b>Phase 2 Employees</b>
Restaurants	21,730	239	91	4,000	44
	<b>Employees/Slot</b>	<b>Source</b>		<b>Phase 2 Slots</b>	<b>Phase 2 Employees</b>
Casino	0.7	Source: Average all Kansas applicants, 2008		200	140
	<b>Sq.Ft./Employee</b>	<b>Source</b>		<b>Phase 2 Sq.Ft.</b>	<b>Phase 2 Employees</b>
Hotel	1,515	Average Harrah's, Marvel, Penn employees/hotel		108,550	72
Convention	<u>730</u>	Average Harrah's, Marvel, Penn employees/entert.		<u>12,000</u>	<u>16</u>
<b>Total</b>	<b>23,976</b>			<b>124,750</b>	<b>272</b>
		<b>Additional Phase 2</b>	<b>Total Year 6</b>		
	Payroll	\$ 8,932,775	\$ 37,809,982		
	Average Employees	272	1,152		
	<b>Payroll/Employee</b>	<b>\$ 32,831</b>	<b>\$ 32,831</b>		

3. Personal income tax revenue for the State is estimated as follows, using a 2008 schedule:

For a single person:

Taxable income between \$0 and \$15,000 is taxed at 3.5%

Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000

Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000

Source: Kansas Department of Revenue. 2008 Kansas Individual Income Tax schedule.

**APPENDIX 6**  
**SUMMARY OF ESTIMATED REVENUE**

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>SUMNER COUNTY</u>	<u>SEDGWICK COUNTY</u>	<u>FIRE DISTRICT #9</u>	<u>OTHER DISTRICTS</u>	<u>MULVANE SCHOOL DIST.</u>
<b>Year 1</b>	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax	587,390	110,828	-	-	-	-
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	413,975	-	-	-	-	-
<b>Subtotal</b>		<b>1,001,366</b>	<b>110,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year 2</b>	Property Tax	8,312	321,546	-	33,204	29,092	285,483
	Sales Tax	3,645,841	687,895	-	-	-	-
	Gaming Revenue	12,113,760	1,009,480	504,740	-	-	-
	Income Tax Revenue	987,938	-	-	-	-	-
<b>Subtotal</b>		<b>16,755,852</b>	<b>2,018,921</b>	<b>504,740</b>	<b>33,204</b>	<b>29,092</b>	<b>285,483</b>
<b>Year 3</b>	Property Tax	20,620	797,669	-	82,371	72,170	708,205
	Sales Tax	710,258	134,011	-	-	-	-
	Gaming Revenue	36,341,280	3,028,440	1,514,220	-	-	-
	Income Tax Revenue	1,290,213	-	-	-	-	-
<b>Subtotal</b>		<b>38,362,372</b>	<b>3,960,120</b>	<b>1,514,220</b>	<b>82,371</b>	<b>72,170</b>	<b>708,205</b>
<b>Year 4</b>	Property Tax	21,239	821,599	-	84,842	74,336	729,451
	Sales Tax	1,620,221	305,702	-	-	-	-
	Gaming Revenue	37,431,518	3,119,293	1,559,647	-	-	-
	Income Tax Revenue	2,042,957	-	-	-	-	-
<b>Subtotal</b>		<b>41,115,935</b>	<b>4,246,594</b>	<b>1,559,647</b>	<b>84,842</b>	<b>74,336</b>	<b>729,451</b>
<b>Year 5</b>	Property Tax	34,398	1,330,650	-	137,408	120,393	1,181,409
	Sales Tax	2,768,424	522,344	-	-	-	-
	Gaming Revenue	38,554,464	3,212,872	1,606,436	-	-	-
	Income Tax Revenue	2,988,833	-	-	-	-	-
<b>Subtotal</b>		<b>44,346,119</b>	<b>5,065,866</b>	<b>1,606,436</b>	<b>137,408</b>	<b>120,393</b>	<b>1,181,409</b>
<b>Year 6</b>	Property Tax	45,840	1,773,283	-	183,116	160,441	1,574,398
	Sales Tax	919,510	173,492	-	-	-	-
	Gaming Revenue	46,543,800	3,878,650	1,939,325	-	-	-
	Income Tax Revenue	1,894,588	-	-	-	-	-
<b>Subtotal</b>		<b>49,403,738</b>	<b>5,825,426</b>	<b>1,939,325</b>	<b>183,116</b>	<b>160,441</b>	<b>1,574,398</b>
<b>TOTAL</b>		<b>\$ 190,985,381</b>	<b>\$ 21,227,756</b>	<b>\$ 7,124,368</b>	<b>\$ 520,941</b>	<b>\$ 456,432</b>	<b>\$ 4,478,946</b>

**APPENDIX 6, ASSUMPTIONS:**

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.
2. Other Districts includes Recreation Commission and Udall Community Building districts.

**APPENDIX 7  
SUMNER COUNTY  
SHERIFF DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW POSITIONS</u>	<u>SALARIES &amp; BENEFITS</u>	<u>CONTRACTUAL/ COMMODITIES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	-	-
Year 3	12	797,523	613,104	141,876	1,552,504
Year 4	12	829,424	637,628	147,551	1,614,604
Year 5	12	862,601	663,134	153,453	1,679,188
Year 6	15	1,142,485	878,297	203,244	2,224,026
<b>TOTAL</b>		<b>\$ 3,632,032</b>	<b>\$ 2,792,164</b>	<b>\$ 646,125</b>	<b>\$ 7,070,321</b>

**APPENDIX 7, ASSUMPTIONS:**

- Analysis utilizes service level and cost data provided by Sumner County for the Harrah's casino proposal in 2008. Chisholm Creek casino is projected to generate the following visitors

	<u>Year 3 (2012)</u>	<u>Year 6 (2015)</u>
WGR GGR	2,044,000	2,712,000
Cummings GGR	1,835,000	2,228,000
<b>Average</b>	<b>1,939,500</b>	<b>2,470,000</b>

Source: Wells Gaming Research and Cummings Associates, visitor estimates, September/October 2009.

- New positions required to service the development are estimated as follows:

	<u>Year 3 Positions</u>	<u>Year 6 Positions</u>	<u>Year 3 Salaries/Benefits</u>	<u>Year 6 Salaries/Benefits</u>
Patrol Officers	5	7	\$ 390,594	\$ 497,431
Detective	1	1	78,658	100,172
Detention Officers	5	7	239,744	305,319
<b>Total</b>	<b>12</b>	<b>15</b>	<b>\$ 708,995</b>	<b>\$ 902,922</b>

\*Salaries/Benefits costs are in 2008 dollars. Salary and benefits costs are increased 4% annually. Source: Gerald Gilkey, Sumner County Sheriff, 2008.

- Contractual/commodities and capital outlay are estimated as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Average</u>
Personnel Services	\$ 692,475	\$ 821,000	\$ 933,912	\$ 815,796
Contractual (CC)	54,301	69,900	51,700	58,634
Commodities (CC)*	508,954	575,300	621,300	568,518
Capital Outlay (CO)	126,381	156,000	153,000	145,127
<b>Total</b>	<b>\$ 1,382,111</b>	<b>\$ 1,622,200</b>	<b>\$ 1,759,912</b>	<b>\$ 1,588,074</b>
CC % of PS	81%	79%	72%	77%
CO % of PS	18%	19%	16%	18%

\*Includes other jail expenses, juvenile detention, reimbursements and prisoner board costs.

Source: "Sumner, Kansas Budget" 2009. Three-year average (2007-2009) for the Sheriff's Department.

- Analysis estimates only operating costs associated with the development. According to the Memorandum of Understanding between Chisholm Creek and Sumner County, the developer will cover all capital purchase and construction costs.

**APPENDIX 8  
COMPARISON OF ESTIMATED REVENUE TO  
ESTIMATED COSTS**

<u>YEAR</u>	<u>ESTIMATED REVENUE</u>	<u>SHERIFF DEPARTMENT</u>	<u>ADMINISTRATIVE OVERHEAD</u>	<u>TOTAL COST</u>	<u>REVENUE SURPLUS</u>
Year 1	\$ 110,828	\$ -	\$ -	\$ -	\$ 110,828
Year 2	2,018,921	-	-	-	2,018,921
Year 3	3,960,120	1,552,504	488,020	2,040,523	1,919,597
Year 4	4,246,594	1,614,604	507,540	2,122,144	2,124,450
Year 5	5,065,866	1,679,188	527,842	2,207,030	2,858,836
Year 6	5,825,426	2,224,026	699,108	2,923,134	2,902,292
<b>TOTAL</b>	<b>\$ 21,227,756</b>	<b>\$ 7,070,321</b>	<b>\$ 2,222,511</b>	<b>\$ 9,292,832</b>	<b>\$ 11,934,924</b>

**APPENDIX 8, ASSUMPTIONS:**

1. See Appendices 2-6 for detailed calculations of County revenues.
2. See Appendix 7 for detailed calculations of Sheriff costs.
3. Administrative overhead costs estimated at **31%** of Sheriff costs.  
Source: Sumner County Budget. Three-year average indirect costs as percent of direct costs (2007-2009) for the General Fund.

<b>Direct</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Average</b>
Clerk	114,526	128,860	136,310	126,565
Sheriff	1,382,111	1,622,200	1,759,912	1,588,074
Registrar	84,494	97,425	107,191	96,370
Courthouse General	732,727	720,050	787,000	746,592
Unified Court	350,739	355,262	363,506	356,502
Counselor	56,690	62,372	69,360	62,807
Planning	140,119	152,271	165,223	152,538
CASA	101,475	126,923	120,107	116,168
Juvenile Court	9,043	9,643	9,643	9,443
<b>Total</b>	<b>2,971,924</b>	<b>3,275,006</b>	<b>3,518,252</b>	<b>3,255,061</b>
<b>Indirect</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Average</b>
County Commission	69,487	75,141	79,020	74,549
Treasurer	141,827	185,201	196,449	174,492
Attorney	214,675	258,940	269,354	247,656
Maintenance	158,046	208,352	235,434	200,611
Geographical Info	108,915	56,738	56,627	74,093
Data Processing	229,131	255,373	270,913	251,806
<b>Total</b>	<b>922,081</b>	<b>1,039,745</b>	<b>1,107,797</b>	<b>1,023,208</b>
<b>% Indirect of Direct</b>	<b>31 %</b>	<b>32 %</b>	<b>31 %</b>	<b>31 %</b>

**APPENDIX 9**  
**SUMNER COUNTY FIRE DISTRICT #9**  
**FIRE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED REVENUES</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>CONTRACTUAL/ COMMODITIES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL COST</u>	<u>REVENUE SURPLUS/ (DEFICIT)</u>
Year 1	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	33,204	0	-	-	-	-	33,204
Year 3	82,371	18	977,968	128,196	1,597	1,107,761	(1,025,390)
Year 4	84,842	18	1,017,087	133,324	1,660	1,152,071	(1,067,229)
Year 5	137,408	18	1,047,599	137,324	1,710	1,186,633	(1,049,225)
Year 6	183,116	23	1,322,072	173,303	2,158	1,497,533	(1,314,417)
<b>TOTAL</b>	<b>\$ 520,941</b>		<b>\$ 4,364,726</b>	<b>\$ 572,146</b>	<b>\$ 7,126</b>	<b>\$ 4,943,998</b>	<b>\$ (4,423,056)</b>

**APPENDIX 9, ASSUMPTIONS:**

- See Appendix 6 for detailed revenue calculations.
- Analysis utilizes service level and cost data provided by Sumner County for the Harrah's casino proposal in 2008. See Appendix 7 for visitor estimates.
- The development is expected to be served by the Sumner County Rural Fire District #9; operating cost requirements for this district were unavailable due to the time constraint of this analysis. The analysis uses data provided by the Mulvane Fire District in 2008 as it is assumed operating cost requirements to be similar.
- New positions required to service the development are estimated as follows:

	<b>Year 3 Positions</b>	<b>Year 6 Positions</b>	<b>Year 3 Salaries/Benefits</b>	<b>Year 6 Salaries/Benefits</b>
MICT	9	11	\$ 387,516	\$ 493,511
Firefighter	6	8	304,977	388,396
Fire Lieutenants	3	4	176,917	225,308
<b>Total</b>	<b>18</b>	<b>23</b>	<b>\$ 869,410</b>	<b>\$ 1,107,214</b>

Salary and benefits costs are increased 4% annually. Source: "Fire/EMS" questionnaire provided by Kent Hixson, City Manager, Mulvane, Kansas, 2008.

- Contractual/commodities and capital outlay are estimated as follows:

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Average</b>
<b>Personnel Services</b>	\$ 1,269,668	\$ 1,366,563	\$ 1,443,821	\$ 1,360,017
<b>Contractual (CC)</b>	81,355	92,439	101,870	91,888
<b>Commodities (CC)</b>	67,809	86,907	104,450	86,389
<b>Capital Outlay (CO)</b>	6,661	-	-	2,220
<b>Total</b>	<b>\$ 1,425,493</b>	<b>\$ 1,545,909</b>	<b>\$ 1,650,141</b>	<b>\$ 1,540,514</b>
<b>CC % of PS</b>	12%	13%	14%	13%
<b>CO % of PS</b>	1%	0.0%	0.0%	0.2%

Source: "City of Wellington 2009 Budget" 2009. Three-year average (2007-2009) for the Fire & Ambulance Department.

- Analysis estimates only operating costs associated with the development. According to the Memorandum of Understanding between Chisholm Creek and Sumner County, the developer will cover all capital purchase and construction costs.

**APPENDIX 10**  
**MULVANE SCHOOL DISTRICT, 263**  
**ESTIMATED NUMBER OF NEW STUDENTS**

<b><u>YEAR</u></b>	<b><u>ESTIMATED TOTAL NO. OF EMPLOYEES</u></b>	<b><u>NUMBER OF NEW EMPLOYEES</u></b>	<b><u># OF NEW HOUSEHOLDS</u></b>	<b><u># OF NEW STUDENTS</u></b>
<b>Year 2</b>	874	130	130	130
<b>Year 3</b>	874	130	130	130
<b>Year 4</b>	876	130	130	130
<b>Year 5</b>	878	130	130	130
<b>Year 6</b>	1,152	130	130	130

**APPENDIX 10, ASSUMPTIONS:**

1. Number of employees is provided by the Developer (application template).  
 Analysis assumes only Professional, Manager, Executive and Technician positions will be new to the area. Other jobs will be filled by existing Sumner County residents. Existing residents are not expected to generate additional students for the School District.
2. The analysis uses a student per household ratio of **1.00** to estimate the number of new students added to the school district by this development. Source: Richard Flores, Mulvane School District, 2008.
3. The analysis assumes **no fiscal impact** on K-12 school districts due to the following reasons:
  - a. The Wichita MSA had 29,700 unemployed people as of August 2009 (Kansas Dept of Labor) indicating that the labor force availability is more than sufficient to fill new jobs, eliminating the need to import new workers who may impact the school districts.
  - b. It is estimated that 130 jobs will be filled by out-of-area employees.
  - c. Sumner County: Between 2003-04 and 2008-09, the County school districts experienced a decrease in enrollment of 262 students. KU's Institute for Policy and Social Research estimates a decreasing population in the County through 2030, thus freeing up more K-12 capacity to absorb casino employees' children.
  - d. Sedgwick County: Between 2005-06 and 2008-09, County school districts experienced a decrease in enrollment of 1,310 students. KU's Institute for Policy and Social Research estimates an increasing population in the County, 12,000 new residents over the next five years.
  - e. In 2008, the Mulvane School District alone had an existing capacity of 155 students, 25 in grade school, 100 in middle school and 30 in High School.  
 Source: Richard Flores, Mulvane School District.



**APPENDIX 11**  
**MULVANE SCHOOL DISTRICT, 263**  
**ESTIMATED SURPLUS/DEFICIT TO STATE**

<b><u>YEAR</u></b>	<b><u>STATE FINANCIAL AID</u></b>	<b><u>LOCAL EFFORT</u></b>	<b><u>GENERAL STATE AID</u></b>	<b><u>TOTAL COSTS</u></b>
<b>Year 1</b>	\$ -	\$ -	\$ -	-
<b>Year 2</b>	137,071	285,483	-	-
<b>Year 3</b>	548,299	708,205	-	-
<b>Year 4</b>	548,340	729,451	-	-
<b>Year 5</b>	548,382	1,181,409	-	-
<b>Year 6</b>	548,425	1,574,398	-	-
<b>TOTAL</b>	<b>\$ 2,330,516</b>	<b>\$ 4,478,946</b>	<b>\$ -</b>	<b>-</b>

**APPENDIX 11, ASSUMPTIONS:**

1. FY 09-10 State Financial Aid amount is estimated at \$ **4,218** per pupil.  
Source: Dale Dennis, Deputy Commissioner, Kansas Department of Education. See Appendix 10 for student estimates.  
State Financial Aid is estimated starting in the last quarter of Year 2.
2. Local Effort includes school districts' property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School Districts in Appendix 2.
3. General State Aid is estimated by subtracting Local Effort revenue from State Financial Aid revenue. As the Local Effort revenue exceeds State Financial Aid revenue, no General State Aid revenue is estimated.